

## FOR 2015 BUDGETS

**TO: All County Fiscal Bodies**

**FROM: Micah G. Vincent, Commissioner**

**SUBJECT: Guidelines for Adoption of County Budgets, Rates, and Levies for 2015**

**DATE: June 24, 2014**

The purpose of this memorandum is to notify counties of the changes to the process of advertising and adopting budgets, rates, and levies for the 2015 budget year and to prescribe the manner in which the advertisements and adoptions must take place.

On March 26, 2014, Governor Pence signed into law House Enrolled Act 1266 (“HEA 1266”). HEA 1266 includes provisions that transition the process of advertising political subdivision budgets, rates, and levies from a newspaper system to an online system through the Department of Local Government Finance’s (“Department”) Gateway website. However, for 2015 only, political subdivisions will also have to publish their budgets and levies in the newspaper in the same manner required in past budget years. A political subdivision that does not submit the required information to Gateway in the manner prescribed by the Department shall have its most recent annual appropriations and annual tax levy continued for the ensuing budget year.

HEA 1266 requires that taxpayers be able to search their budget and levy notices by address on the Gateway website and that the Department provide a telephone number by which a taxpayer can call the Department and request to have budget, levy, and meeting notices sent to them by mail. Further information will be released on the public interface with taxpayers in the coming weeks.

### **Newspaper Requirements**

1. Make sure that the county’s advertisement of its budgets, rates, and levies appears in the newspaper(s) by September 13 (first advertisement) and September 20 (second advertisement). The county should make sure the newspaper(s) advertise what was sent. The notices must be published in two newspapers published in the county. If there is only one newspaper published in the county, then publication in that newspaper alone is sufficient.
2. Make sure that the first advertisement appears in the newspaper(s) at least ten days before the public hearing. Remember to account for publication lead-time for your local newspaper(s). In order to hold the public hearing on day ten after the first advertisement, start counting days on the day after the advertisement appears in the newspaper(s) – if the first advertisement runs on September 13, day one is September 14, and the first day the public hearing could be held is September 23.
3. Make sure the second advertisement appears in the newspaper(s) at least seven days after the first advertisement (see example in #2 for how to count days).

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4. Make sure the second advertisement appears in the newspaper(s) at least three days before the public hearing (see example in #2 for how to count days).
5. In the advertisement, state the time, date, and place (including address) where the **public hearing** will be held on the budgets, rates, and levies (this is included in the Form 3). **The public hearing must be held on the advertised date.** The public hearing must occur by October 24, except for the consolidated city-county.
6. In the advertisement, make sure the proposed budget for each fund, current levies for each fund, proposed levies for each fund, the amount of excessive levy appeals for each fund, and the estimated maximum permissible levies are each included (these are included in the Form 3).
7. In the advertisement, state the time, date, and place (including address) where the **adoption meeting** will be held on the budgets, rates, and levies (this is included in the Form 3). If the budget adoption cannot occur on the advertised date, the adoption meeting should be continued to another date or a new adoption meeting should be advertised. Additionally, a notice of the meeting must be posted at least 48 hours prior to the meeting. If the meeting is continued, minutes from the meeting showing the continuation need to be submitted to the Department to verify the new adoption date.
8. Keep in mind that the budget, rate, and levy **advertised** for each fund create a maximum amount of budget, rate, and levy for that fund. Please make sure that the amount advertised is what the county seeks to have in budget and rate and receive in levy for each fund.

### **Gateway Submission Requirements**

Counties will use the Form 3 in Gateway to submit their budget information for the online advertisement. Counties must fill out the form in the manner prescribed by the Department's Form 3 User Guide.

1. The county must submit the following information to Gateway:
  - the proposed budget for each fund;
  - current levies for each fund;
  - proposed levies for each fund;
  - the amount of excessive levy appeals for each fund; and
  - the estimated maximum permissible levies.
2. The Form 3 submitted by the county must state the time, date, and place (including address) where the unit will hold a **public hearing** on these items. **The public hearing must be held on the advertised date.** The public hearing must occur by October 24, except for the consolidated city-county.
3. The Form 3 submitted by the county must state the time, date, and place (including address) where the political subdivision will hold the **adoption meeting** on the budgets, rates, and levies. If the budget adoption cannot occur on the advertised date, the adoption meeting

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should be continued to another date or a new adoption meeting should be advertised. The Form 3 on Gateway should be updated with the new adoption date as soon as possible. This must be done at least 48 hours prior to the meeting. Additionally, a notice of the meeting must be posted at least 48 hours prior to the meeting. If the meeting is continued, minutes from the meeting showing the continuation need to be submitted to the Department to verify the new adoption date.

4. The Form 3 must be submitted to Gateway *before* September 14.
5. **Additionally**, the Form 3 must be submitted to Gateway at least ten days before the public hearing. In order to hold the public hearing on day ten after the first advertisement, start counting days on the day after the Form 3 first appears on Gateway – if the Form 3 is submitted to Gateway on September 1, it will post to the public site for taxpayer viewing instantaneously. Therefore, day one is September 2, and the first day the public hearing could be held is September 11.
6. If a county timely submits its Form 3 to Gateway but subsequently discovers the information contains a typographical error, the county may request permission from the Department to submit amended information to Gateway.

Such a request must occur not later than seven days before the public hearing on the budgets, rates, and levies. The request will be inferred from the county submitting a revised Form 3. The Department will automatically give its approval by allowing the county to change information other than the public hearing date.

However, if the county wishes to change the public hearing date, the Department must explicitly grant permission for this change to be allowed. Counties that wish to modify the public hearing date must email [Form3@dlgf.in.gov](mailto:Form3@dlgf.in.gov) or call (888) 739-9826 to receive Department approval. The Department will not allow modifications on the public hearing date if the request is made within seven days of the public hearing.

Acknowledgment of a modified Form 3 will be posted on Gateway. Units must communicate this change to the fiscal body of the county in which the unit is located. This communication will be triggered automatically by submitting a revised Form 3.

7. Keep in mind that the budget, rate, and levy submitted to Gateway for each fund create a maximum amount of budget, rate, and levy for that fund. Please make sure that the amount submitted is what the county seeks to have in budget and rate and receive in levy for each fund.

### **Public Hearing Requirements**

1. The county fiscal body will conduct the public hearing at the advertised time and location. Taxpayers must be given an opportunity to speak during the hearing. If the public hearing must be continued, the county fiscal body must properly continue the hearing and not adjourn.

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2. Ten or more taxpayers may object to a budget, rate, or levy of the county by filing an objection petition with the county fiscal body not more than seven days after the hearing. The objection petition must specifically identify the provisions of the budget, rate, and levy to which the taxpayers object. If a petition is filed, the county fiscal body shall adopt with its budget findings concerning the objections in the petition and any testimony presented at the hearing.

### **Adoption Meeting Requirements**

1. The budgets, rates, and levies must be adopted by November 3 (normally November 1 is the deadline, but November 1 falls on a Saturday in 2014) (this is done using the Form 4). Make sure that the form is signed, dated, marked “yes” or “no” for each officer, and attested.
2. Keep in mind that the budget, rates, and levies **adopted** for each fund create a maximum amount of budget, rate, and levy for that fund. Please check and make sure that the amount adopted is what the county seeks to have in budget and rate and receive in levy for each fund.
3. Remember that there must be at least ten days between the public hearing and the adoption meeting, except for the consolidated city-county.
4. Again, if an objection petition is filed, the county fiscal body must adopt findings on the objections at the adoption meeting.

### **Special Notes**

1. While counties’ own budgets, rates, and levies are not subject to adoption or non-binding review by any other local unit of government, counties should be aware that they will have to perform non-binding reviews and adoptions of other units’ budgets, rates, and levies (see the Department’s memoranda on these topics for more specific instructions). In addition, a county may be required to complete binding adoptions for other units (see the Department’s memoranda on these topics for more specific instructions). A county’s failure to correctly perform its duties will result in the continuation of the county’s most recent annual appropriations and annual levy for the ensuing year.
2. For taxes due and payable in 2015 and 2016, each county must publish a notice in accordance with IC 5-3-1 in two newspapers published in the county stating the Gateway Internet address and the Department telephone number through which taxpayers may request copies of a political subdivision’s budget information. If only one newspaper is published in the county, publication in that newspaper is sufficient. The Department will prescribe the notice, which must be published before September 14. Counties may seek reimbursement from the political subdivisions within their legal boundaries for the cost of this notice.